Form (2)

Union of Myanmar Investment Commission
Sr.No 1533-6
Dated 28.5.2010

The Myanmar Investment Commission

PERMIT

Permit No. 441/2010 Date 28th MAY, 2010

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter DIRECTOR GENERAL,
ENERGY PLANNING DEPARTMENT

(b) Citizenship MYANMAR

(c) Address BUILDING NO.(6), NAY PYI TAW, MYANMAR

(d) Name and Address of principal organization MINISTRY OF ENERGY,
BUILDING NO.(6), NAY PYI TAW.

(e) Place of incorporation HONG KONG

(f) Type of business in which investment is to be made NATURAL GAS TRANSPORTATION BY PIPELINE

(g) Place(s) at which investment is permitted KYAUKPHYU TO MYANMAR - CHINA BORDER

(h) Amount of foreign capital US$ 2146.00 MILLION

(i) Period for bringing in foreign capital 2010 TO 2013

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 2146.00 MILLION

(k) Permitted duration of investment 30 YEARS OF COMMERCIAL OPERATION

(l) Name of the economic organization to be formed in Myanmar
SOUTH-EAST ASIA GAS PIPELINE COMPANY LIMITED.

Chairman

The Myanmar Investment Commission

ပုံစံ (၂)

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအ ၁၅၃၃-၁၀
နေ့စွဲ ၂၈.၅.၂၀၁၀

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၄၁/၂၀၁၀ ၂၀၁၀ ခုနှစ်၊ မေလ ၂၈ ရက်

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် ညွှန်ကြားရေးမှူးချုပ်၊ စွမ်းအင်စီမံရေးဦးစီးဌာန

(ခ) မည်သည့် နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ စွမ်းအင်ဝန်ကြီးဌာန၊ ရုံးအမှတ်(၆) နေပြည်တော်၊

(င) ဖွဲ့စည်းရာအရပ် ဟောင်ကောင်

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ကုန်းတွင်းပိုက်လိုင်း တည်ဆောက်ခြင်း၊ ဓါတ်ငွေ့သယ်ယူ ပို့ဆောင်ခြင်းစသည့် ကုန်းတွင်းပိုင်းသဘာဝ ဓါတ်ငွေ့ သယ်ယူ ပို့ဆောင်ရေး လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ကျောက်ဖြူမှ မြန်မာ-တရုတ် နယ်စပ်

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၂၄၆.၀၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၁၀ ခုနှစ် မှ ၂၀၁၃ ခုနှစ် အထိ

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂၄၆.၀၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း နှစ်ပေါင်း ၃၀

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည်

SOUTH-EAST ASIA GAS PIPELINE COMPANY LIMITED.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

Confidential

UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Our ref : Ya Ka-1/Na- 620 /2010(1533- G) Tel : 067- 406334,406075

Dated :28th May 2010. Fax : 95-67-406333

Subject : Decision of the Myanmar Investment Commission on the Proposal for Transportation of Natural Gas by Pipeline under the name of "South-East Asia Gas Pipeline Company Limited."

Reference: (1)Ministry of Energy, Letter No. 012/278/Hta(2) dated(1.4.2010).
(2)Ministry of Energy, Letter No. 012/278/Hta(7) dated(7.6.2010).

1. The Myanmar Investment Commission, at its meeting (11/2010) held on (26-3-2010) and the Trade Council, at its meeting(13/2010) held on (8-4-2010), had reviewed the proposal for investment in " Transportation of Natural Gas by Pipeline" under the name of South-East Asia Gas Pipeline Company Limited to be incorporated in Hong Kong with a branch office to be registered in the Union of Myanmar. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting (17/2010) held on (5-5 -2010), resolved to permit the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Paragraph 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30(Thirty) years of commercial operation exclusive of construction period.

4. In issuing this "Permit," the Commission has granted the following exemptions and reliefs.

(a) As per section-21(a), exemption from income tax up to 36(Thirty Six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, South-East Asia Gas Pipeline Company Limited shall apply for such exemption only after the 36 (Thirty Six) consecutive months tax holiday period.

(c) As per section-21(c), South-East Asia Gas Pipeline Company Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the

original value for the purpose of income-tax assessment. South-East Asia Gas Pipeline Company Limited shall have to apply to the Commission such rates of depreciation.

(d) As per section-21(d), South-East Asia Gas Pipeline Company Limited shall have the relief from income tax up to 50 percent on the profits accrued from exports.

(e) As per section-21(e), South-East Asia Gas Pipeline Company Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the Company and the right to deduct such payment from the assessable income.

(f) As per section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), regarding the right to deduct from the assessable income such expense incurred in respect of research and development relating to the Company which are actually required and are carried out within the State, South-East Asia Gas Pipeline Company Limited shall apply, upon actual performance of such research and development programme, only after 36(Thirty Six) consecutive months tax holiday period.

(h) As per section-21(h), regarding the right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, South-East Asia Gas Pipeline Company Limited shall file the case, if any, to the Ministry of Finance and Revenue with regard to Article-4 of the Income Tax Amendment Law,1991.

(i) As per section-21(i),exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional imports of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Energy.

5. South-East Asia Gas Pipeline Company Limited shall pay the "Right-of-Way Payment" to Myanma Oil and Gas Enterprise an annual payment of US Dollars six million nine hundred and five thousand (USD 6,905,000)per year.

6. South-East Asia Gas Pipeline Company Limited shall pay reasonable compensation for private land, relocation of houses and/or losses of or damages to crops to any owner thereof affected by the grant of the Right-of-Way or the construction, expansion, operation or maintenance of the Onshore Transportation System or Company's facilities and equipment within the Union of Myanmar.

7. Upon termination of all gas transportation agreements, South-East Asia Gas Pipeline Company Limited shall vest the transportation system to Myanma Oil and Gas Enterprise.

8. South-East Asia Gas Pipeline Company Limited shall spend a minimum of US Dollars one hundred thousand (USD 100,000)per Financial Year for training program, commencing with the first Financial Year following the Contractual Transportation Date under the Export GTA.

9. South-East Asia Gas Pipeline Company Limited shall have to sign all necessary Agreements with the agencies concerned for the operation. After signing such Agreement, (5) copies each of them shall be forwarded to the Commission.

10. South-East Asia Gas Pipeline Company Limited in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall register the branch office in Myanmar. After registration, (5) copies of Certificate of Registration of Branch in Myanmar shall have to be forwarded to the Commission.

11. The official date of operation shall be reported to the Commission.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. South-East Asia Gas Pipeline Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section- 2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the

Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

15. South-East Asia Gas Pipeline Company Limited shall be responsible for the preservation of the environment at and around the area of Onshore Transportation System or Company's facilities and equipment in the Union of Myanmar. Hence, it shall observe the directive issued by the Commission vide letter No.Ya Ka-1/139/94(0440) dated 30-6-94[Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

16. South-East Asia Gas Pipeline Company Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-1/408/94(0424) dated 29-6-94[Annexure (3)] to expedite the clearance of imports of capital and inter industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

17. South-East Asia Gas Pipeline Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Maung Maung Thein)
Chairman

Director General
Energy Planning Department
Ministry of Energy

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Energy
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power (2)
13. Chairman, Foreign Capital Evaluation Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department

16. Director General, Internal Revenue Department
17. Managing Director, Myanma Oil and Gas Enterprise
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)